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Annual Report 2002-2003

Canon Virginia, Inc., Canon's largest manufacturing facility in North America, has produced copiers, Laser Beam Printers, toner and toner cartridges since 1985. Within the past 18 years the facility has continually developed and improved its manufacturing processes in an effort to reduce environmental impact and to increase quality awareness at all levels.

Our goal at Canon Virginia, Inc. is to have a positive impact on the environment. As corporate citizens we care about our surroundings, always striving to prevent pollution and eliminate activities that have a negative impact on the environment and our community.

At Canon Virginia, Inc. our environmental goals are centered on energy conservation, resource conservation, pollution prevention and the elimination of hazardous substances in our operation.

Canon Virginia, Inc. has demonstrated and promoted environmental stewardship through our corporate policy of "Kyosei". Our corporate policy of Kyosei, translates into "living and working together for the common good." Our key goal is to promote corporate environmental efforts and consolidate environmental activities at Canon Virginia, Inc. Every part of our organization embraces the Kyosei concept. Always looking for ways to not only better our surroundings, but also our own organization. To ensure the integrity of our management systems, CVI holds both the ISO9001 (Quality) and ISO 14001 (Environmental) certifications. Two different departments within CVI were responsible for maintaining the management systems for these certifications. Our project was based on streamlining our management system even further by combining the quality and environment into a consolidated management system.

Program/Project Description

Guided by the International Organization of Standardization (ISO) policies and obligations, we were operating under the vision of creating a new and improved system. Combining both systems became the natural progression.

It is our hope that the success of our project will serve as a benchmark for other manufacturing industries faced with the challenge of creating a more effective and innovative internal management system. As we face the future at Canon Virginia, Inc., we look forward to improving our newly combined system as well as other opportunities of innovation in our environmental systems.

Our project encompassed combining our two ISO management systems (ISO 9001- Quality and ISO 14001- Environmental) into one comprehensive management system to be used throughout our company. Due to the success of this project, we now have a complete and functional management system. It is designed to facilitate and support our certification requirements, as well as provide general guidelines on principles, systems and supporting techniques. Previously both systems were operating independently of each other thus creating the lack of autonomy and continuity. Our project of combining the two programs has increased the overall effectiveness of our day-to-day operations and has proven to be beneficial to organizing and simplifying documentation and processes at Canon Virginia, Inc.

The environmental impact of utilizing a management system is as follows:

- identify the environmental aspects of our organization activities, product & services and their significance
- report and communicate information pertaining to our established aspects
- utilize procedures, policies, and documentation pertaining to the overall function of our manufacturing environment

Our environmental aspects at Canon Virginia, Inc. include:

- emissions (to the air, water or land from production processes)
- natural resources (gas, electricity, water and land)
- wastes (space, time, recycling, reuse, waste to energy, regulated waste)
- raw materials (chemicals, parts used in production, office supplies, spare parts)
- manpower (supporting subsidiaries, OSHA concerns)

Social Significance & Community Outreach

Canon Virginia, Inc. continues to be a business leader in the community. Our on-going commitment to the environment has most recently allowed us to be designated as an Exemplary Environmental Enterprise (E3) by the Virginia Department of Environmental Quality, awarded on November 2000. Canon Virginia, Inc. also participates in the Business by the Bay voluntary pollution prevention and mentor programs. Other awards include the following:

1. National Environmental Excellence Award (2001) for best available environmental technology from the National Association of Environmental Engineers.
2. Clean Business Award (2002), City of Newport News
3. Ten Year Service award for Adopt-a-Spot (2002), City of Newport News.
4. P2 (Pollution Prevention Award -2002) from Hampton Roads Sanitation District.
5. Placed 1st in our Corporate Environmental Evaluation with Canon Inc. (Recognized in 2003).
6. Pretreatment Excellence Award – Silver - Main Plant (2002) from Hampton Roads Sanitation District
7. Pretreatment Excellence Award – Gold - Toner Plant (2002) from Hampton Roads Sanitation District

Efficiency and Cost Effectiveness

1. Energy savings of 15%, resource conservation 15% and toxic substance reduction of 5%.
2. We have a current recycling rate of 99% thus reducing our landfill input.

Other measures and projects that have resulted in improvements to our work environment include the following:

3. Chemical circulators installed to reduce chemical purchases by \$67,000 annually and to reduce employee handling of chemicals.
4. On-site Solid Waste Recycling Center to support all our recycling needs and the needs of our subsidiaries.
5. A toner filtering system was installed to eliminate toner in our wastewater.
6. An upgrade to our parts washer to reduce water usage and prevent contamination to our wastewater.